

the world to do things that we take for granted now but which would fulfill their dreams and their God-given potential in a way that has never been possible before.

But to do it we have to understand that in times when things are changing rapidly, we have to be able to open our eyes and open our ears and open our hearts; we have to be able to think anew and act anew; we have to be dedicated to the idea of community, the idea of partnership, the idea that we can each have more personal, individual fulfillment when we work together with other people to help them achieve the same objectives. That's the only way we can move able-bodied people from welfare to work. A lot of you are going to have to help with that.

We passed a law that says that able-bodied people can only draw welfare so long, but what are they going to do? Go into the street or go into the work force? Every State ought to be willing to give those welfare checks to employers as job subsidies to move more people from welfare to work, and every vital company ought to be willing to examine themselves to see what they could do, because we don't have the money, and we shouldn't have these large-scale job programs funded by the Government with only welfare workers in them.

We want to change a whole culture here and move people into the mainstream of American life. And that can best be done by a company hiring one or two or three, and then another company doing the same thing until we have a ripple effect all across America, and we don't have a welfare system and an unemployment system anymore, we have a system that deals with people when they're temporarily out of the work force, organizes those who can move into the work force, and helps those who, through no fault of their own, are simply unable to help themselves. That is an America that would be worthy of the pride, the honor and the support of every single citizen of this country. We cannot do it unless the private sector is a partner.

We cannot help our schools to meet the highest standards of excellence unless those of you who understand the world in which we are living and the one toward which we are moving demand that we have, yes, a lot of local control and more schools that are

committed to kind of creative excellence in the way that you are, but we also measure performance by national standards of excellence, and we know that the measurements are good. Because I believe all children can learn and I am tired of people hiding behind various bureaucratic hedges to avoid measuring up and giving all our children a chance to learn. You can lead the way, and we need you to do it.

We have participated in a celebration of what is best about America. You have all thrilled me beyond measure. I loved seeing all the different things you did. I had the best seat in the house today. The Secretary and Ernie and I, we didn't have to worry about what we were going to say. We didn't even have to worry about our constituents the way these folks did. They were the political leaders here today. *[Laughter]*

I got to spend this whole time looking into your faces. Those are the looks I want to see on the faces of every American child, and you can help us do it.

Thank you, and God bless you.

NOTE: The President spoke at 12:35 p.m. at the Sheraton Washington Hotel. In his remarks, he referred to Margaret Baldrige, widow of former Secretary of Commerce Malcolm Baldrige; Earnest Deavenport, president, Malcolm Baldrige Award Foundation; and Southwood (Woody) J. Morcott, chairman and chief executive officer, Dana Commercial Credit Corp.

### **Letter to Congressional Leaders on the Federal Republic of Yugoslavia (Serbia and Montenegro)**

*December 6, 1996*

*Dear Mr. Speaker: (Dear Mr. President:)*

On May 30, 1992, by Executive Order 12808, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by the actions and policies of the Governments of Serbia and Montenegro, blocking all property and interests in property of those Governments. President Bush took additional measures to prohibit trade and other transactions with the Federal Republic of Yugoslavia (Serbia and

Montenegro) by Executive Orders 12810 and 12831, issued on June 5, 1992, and January 15, 1993, respectively.

On April 25, 1993, I issued Executive Order 12846, blocking the property and interests in property of all commercial, industrial, or public utility undertakings or entities organized or located in the Federal Republic of Yugoslavia (Serbia and Montenegro) (the "FRY (S&M)"), and prohibiting trade-related transactions by United States persons involving those areas of the Republic of Bosnia and Herzegovina controlled by the Bosnian Serb forces and the United Nations Protected Areas in the Republic of Croatia. On October 25, 1994, because of the actions and policies of the Bosnian Serbs, I expanded the scope of the national emergency by issuance of Executive Order 12934 to block the property of the Bosnian Serb forces and the authorities in the territory that they control within the Republic of Bosnia and Herzegovina, as well as the property of any entity organized or located in, or controlled by any person in, or resident in, those areas.

On December 27, 1995, I issued Presidential Determination No. 96-7, directing the Secretary of the Treasury, *inter alia*, to suspend the application of sanctions imposed on the FRY (S&M) pursuant to the above-referenced Executive orders and to continue to block property previously blocked until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. This sanctions relief, in conformity with United Nations Security Council Resolution ("UNSCR") 1022 of November 22, 1995, was an essential factor motivating Serbia and Montenegro's acceptance of the General Framework Agreement for Peace in Bosnia and Herzegovina initialed by the parties in Dayton, Ohio, on November 21, 1995 (the "Peace Agreement") and signed in Paris on December 14, 1995. The sanctions imposed on the FRY (S&M) and on the United Nations Protected Areas in the Republic of Croatia were accordingly suspended prospectively, effective January 16, 1996. Sanctions imposed on the Bosnia Serb forces and authorities and on the territory that they control within the Republic of Bosnia and Herzegovina were subsequently suspended

prospectively, effective May 13, 1996, in conformity with UNSCR 1022. On October 1, 1996, the United Nations passed UNSCR 1022. On October 1, 1996, the United Nations passed the UNSCR 1074, terminating U.N. sanctions against the FRY (S&M) and the Bosnian Serbs in light of the elections that took place in Bosnia and Herzegovina on September 14, 1996. UNSCR 1074, however, reaffirms the provisions of UNSCR 1022 with respect to the release of blocked assets, as set forth above.

The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and covers the period from May 30 to November 29, 1996. It discusses Administration actions and expenses directly related to the exercise of powers and authorities conferred by the declaration of a national emergency in Executive Order 12808 of May 30, 1992 (57 FR 23299) and Executive Order 12934 (59 FR 54117) and to expanded sanctions against the FRY (S&M) and the Bosnian Serbs contained in Executive Order 12810 of June 5, 1992 (57 FR 24347, June 9, 1992), Executive Order 12831 of January 15, 1993 (58 FR 5253, January 21, 1993), Executive Order 12846 of April 25, 1993 (58 FR 25771, April 27, 1993), and Executive Order 12934 of October 25, 1994 (59 FR 54117, October 27, 1994).

1. The declaration of the national emergency on May 30, 1992, was made pursuant to the authority vested in the President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3 of the United States Code. The emergency declaration was reported to the Congress on May 30, 1992, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) and the expansion of that national emergency under the same authorities was reported to the Congress on October 25, 1994. The additional sanctions set forth in related Executive orders were imposed pursuant to the authority vested in the President by the Constitution and laws of the United States, including the statutes cited above, section 1114 of the Federal Aviation Act (49 U.S.C. App. 1514), and

section 5 of the United Nations Participation Act (22 U.S.C. 287c).

2. Since the declaration of the national emergency with respect to the FRY (S&M) on May 30, 1992, the Office of Foreign Assets Control (OFAC) acting under authority delegated by the Secretary of the Treasury has implemented the sanctions imposed under the foregoing statutes. Effective January 16, 1996, OFAC amended the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 CFR Part 585 (the "Regulations"), to implement in the United States provisions of the Peace Agreement and UNSCR 1022 (61 FR 1282, January 19, 1996). The amended Regulations authorize prospectively all transactions with respect to the FRY (S&M) otherwise prohibited. Property and interests in property of the FRY (S&M) previously blocked within the jurisdiction of the United States remain blocked, in conformity with the Peace Agreement and UNSCR 1022, until provision is made to address claims or encumbrances, including the claims of the other successor states of the former Yugoslavia. On May 10, 1996, OFAC amended the Regulations to authorize prospectively those transactions previously prohibited with respect to the Bosnian Serb forces and authorities; entities organized or located in those areas of the Republic of Bosnia and Herzegovina under their control; entities owned or controlled directly or indirectly by any person in, or resident in, those areas; and any person acting for or on behalf of any of the foregoing. United States persons are also authorized to engage in transactions involving the areas of the Republic of Bosnia and Herzegovina under the control of the Bosnian Serb forces, and services may be exported either from the United States or by United States persons to those areas. Property and interests in property previously blocked because of an interest of any of the above persons remain blocked. (61 FR 24696, May 16, 1996.)

3. Over the past 6 months, the Departments of State and the Treasury have worked closely with European Union member states and other U.N. member nations to implement the provisions of UNSCR 1022. In the

United States, retention of blocking authority pursuant to the extension of a national emergency provides a framework for administration of an orderly claims settlement. This accords with past policy and practice with respect to the suspension of sanctions regimes.

4. Subsequent to the prospective authorization of transactions with the FRY (S&M), effective January 16, 1996, OFAC has issued 28 specific licenses regarding transactions pertaining to the FRY (S&M) or assets it owns or controls. As of October 28, 1996, specific licenses have been issued (1) to authorize the unblocking of certain funds and other financial assets previously blocked; (2) for the payment of crews' wages, vessel maintenance, and emergency supplies for FRY (S&M)-controlled ships blocked in the United States; and (3) to authorize performance of certain transactions under pre-sanctions contracts.

During the past 6 months, OFAC has continued to oversee the maintenance of blocked accounts and records with respect to: (1) liquidated tangible assets and personality of the 15 blocked U.S. subsidiaries of entities organized in the FRY (S&M); (2) the blocked personality, files, and records of the 2 Serbian banking institutions in New York previously placed in secure storage; (3) remaining tangible property, including real estate; and (4) the 5 Yugoslav-owned vessels still blocked in the United States.

5. Despite the prospective authorization of transactions with the FRY (S&M), OFAC has continued to work closely with the U.S. Customs Service and other cooperating agencies to investigate alleged violations that occurred while sanctions were in force.

Since the last report, OFAC has collected five civil monetary penalties totaling more than \$28,300 for violations of the sanctions. These violations included prohibited exports and payments to persons in the FRY (S&M) or to blocked entities owned or controlled by the FRY (S&M).

6. The expenses incurred by the Federal Government in the 6-month period from May 30, 1996, through November 29, 1996, that are directly attributable to the declaration of a national emergency with respect to the FRY (S&M) and the Bosnian Serb forces and authorities are estimated at about \$1.252

million, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in OFAC and its Chief Counsel's Office, and the U.S. Customs Service), the Department of State, the National Security Council, the U.S. Coast Guard, and the Department of Commerce.

7. In the last year, substantial progress has been achieved to bring about a settlement of the conflict in the former Yugoslavia acceptable to the parties. UNSCR 1074 terminates sanctions in view of the first free and fair elections to occur in the Republic of Bosnia and Herzegovina, as provided for in the Peace Agreement. In reaffirming Resolution 1022, however, UNSCR 1074 contemplates the continued blocking of assets potentially subject to conflicting claims and encumbrances until provision is made to address them, including claims of the other successor states of the former Yugoslavia.

The resolution of the crisis and conflict in the former Yugoslavia that has resulted from the actions and policies of the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and of the Bosnian Serb forces and the authorities in the territory that they control, will not be complete until such time as the Peace Agreement is implemented fully and the terms of UNSCR 1022 have been met. Therefore, I have continued for another year the national emergency declared on May 30, 1992, as expanded in scope on October 25, 1994, and will continue to enforce the measures adopted pursuant thereto.

I shall continue to exercise the powers at my disposal with respect to the measures against the Government of the Federal Republic of Yugoslavia (Serbia and Montenegro), and the Bosnian Serb forces, civil authorities, and entities, as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

Sincerely,

**William J. Clinton**

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

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## **Digest of Other White House Announcements**

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The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

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### **December 1**

In the afternoon, the President returned to Washington, DC, from Camp David, MD.

### **December 3**

The President announced his intention to appoint Lt. Gen. Marc Anthony Cisneros, USA (Ret.) as a member of the U.S. Military Academy Board of Visitors.

The President announced that Secretary of Health and Human Services Donna E. Shalala will appoint Rabbi Joseph A. Edelheit to the Presidential Advisory Council on HIV/AIDS.

The White House announced that the President will attend the annual Army-Navy football game at Veterans Stadium in Philadelphia, PA on December 7.

### **December 5**

In the morning, the President had a telephone conversation with President Boris Yeltsin of Russia concerning President Yeltsin's recovery from heart surgery and an agreement to meet in March of 1997.

Later, the President met privately with President Carlos Menem of Argentina in the Oval Office and then with President Menem and members of the Argentine Cabinet in the Cabinet Room.

### **December 6**

In the afternoon, the President attended a Democratic National Committee luncheon for the Texas State Democratic Party at the Sheraton Carlton Hotel.